

# MEMORANDUM



**TO:** MEMBERS OF THE PLANNING COMMISSION  
**FROM:** CHRISTIAN CARROLL, PLANNER  
**SUBJECT:** OST DISTRICT FACTS – 2020 UPDATE  
**DATE:** NOVEMBER 10, 2020

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## Introduction

The Office Service Technology (OST) Zoning District is an important non-residential component of the City of Novi. The District is one of three office zoning districts in the City. Created to encourage and allow the development of high-tech, multi-use office/laboratory/production facilities as opposed to straight office or commercial uses, a variety of general and medical offices, research and development facilities (with or without accessory manufacturing and warehousing), colleges, hotels, and an exposition facility, have located in the OST District since its creation. With over 4.13 million square feet of floor space, these properties constitute a significant portion of the City's tax base. Since over 34% of the land in the OST District is available for development, new businesses locating in the District will continue to contribute to the City's growing tax base.

The following paragraphs provide some general information and insight regarding the City's OST District and its future outlook within the City.



Photo 1: Harman Becker Automotive Headquarters, Cabot Drive & Thirteen Mile

## Zoning Ordinance

Section 3.1.23 of the Zoning Ordinance was drafted to permit a wide range of uses within the OST District, which has led to the successful development of the district. Uses include:

- Hotels and business motels
- Data processing and computer centers
- Facilities for Human Care
- Medical offices, including laboratories and clinics
- Research, testing, design and development, technical training, and design of pilot or experimental product facilities
- Financial Institutions
- Day care centers
- Motion picture, television, radio, and photographic production facilities
- Colleges & universities
- Retail business uses (Retail Service Overlay as a Special Land Use)
- EXO Overlay District permits exposition facility in a specific area of the OST District
- Any other uses as listed in Section 3.1.23 of the Zoning Ordinance



Photo 2: Cabot Road & Twelve Mile Road

## District Overview

Located in Sections 1, 9, 12, 13, 14, 15, and 16, the OST District contains 1,242 acres of land divided into 175 parcels (see attached maps). In addition, almost two hundred acres of residential and industrial zoned land are depicted on the future land use map for office, research, development, and technology uses and thus planned to be in the OST District. A breakdown of the OST District can be found below.

- 67 parcels consisting of a total of 422 acres are available for development, which makes up 34% of the OST District.

- 81 parcels, consisting of a total of 556 acres have been developed, which makes up 45% of the OST District.
- 14 parcels, consisting of a total of 180 acres are used for utilities and utility services, which makes up 14% of the OST District.
- 13 parcels, consisting of a total of 82 acres are used for common area, right-of-way, and preserved parkland, which makes up 7% of the OST District.

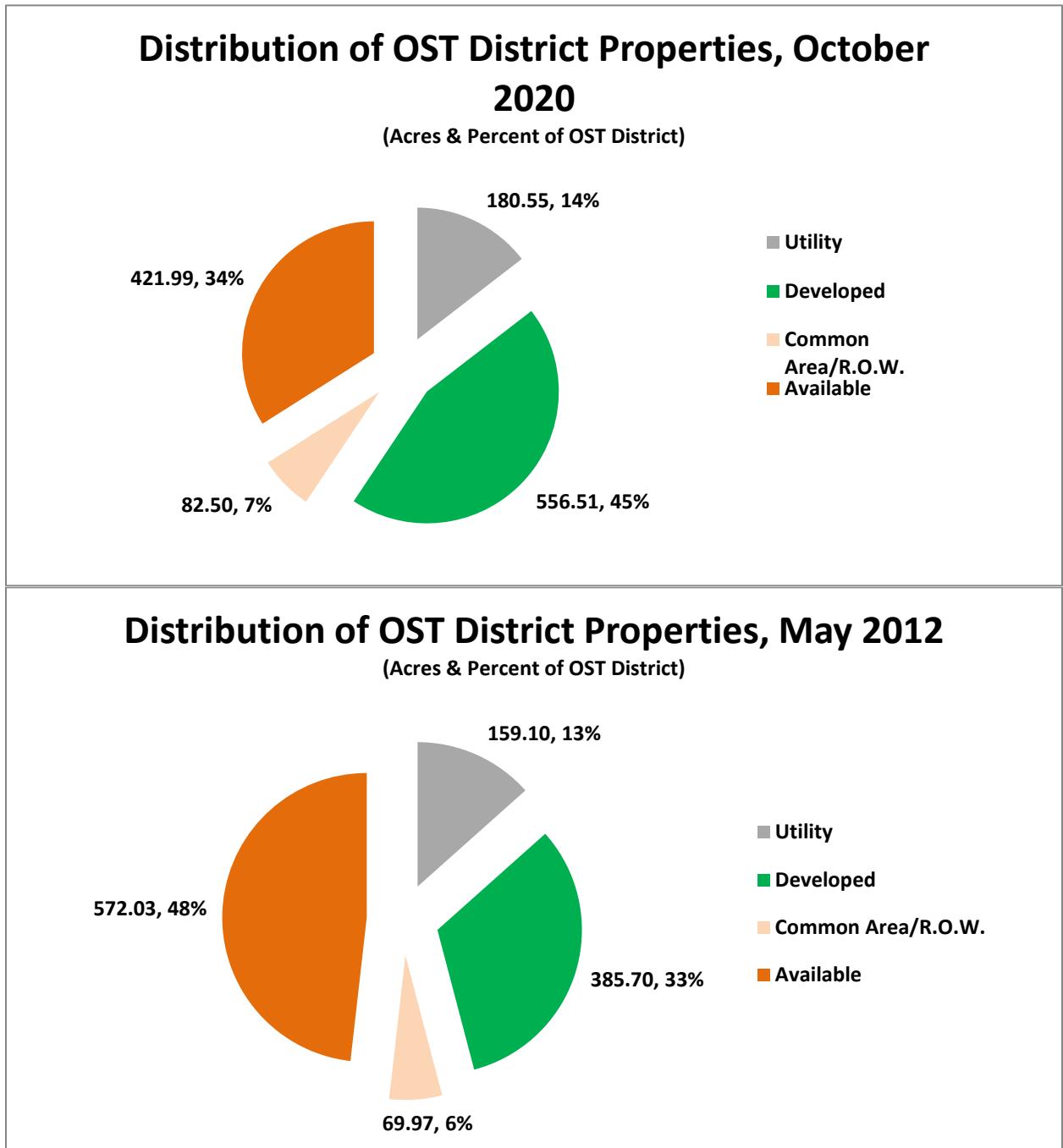


Figure 1: Distribution of OST District Properties (2012 vs. 2020)

Compared to May 2012, the amount of developed land, common area/R.O.W., and utility land has increased, which indicates a continued trend of growth in the OST District. The amount of vacant land has decreased from 572 acres to 422 acres, or by 12% of the total acreage of the district.

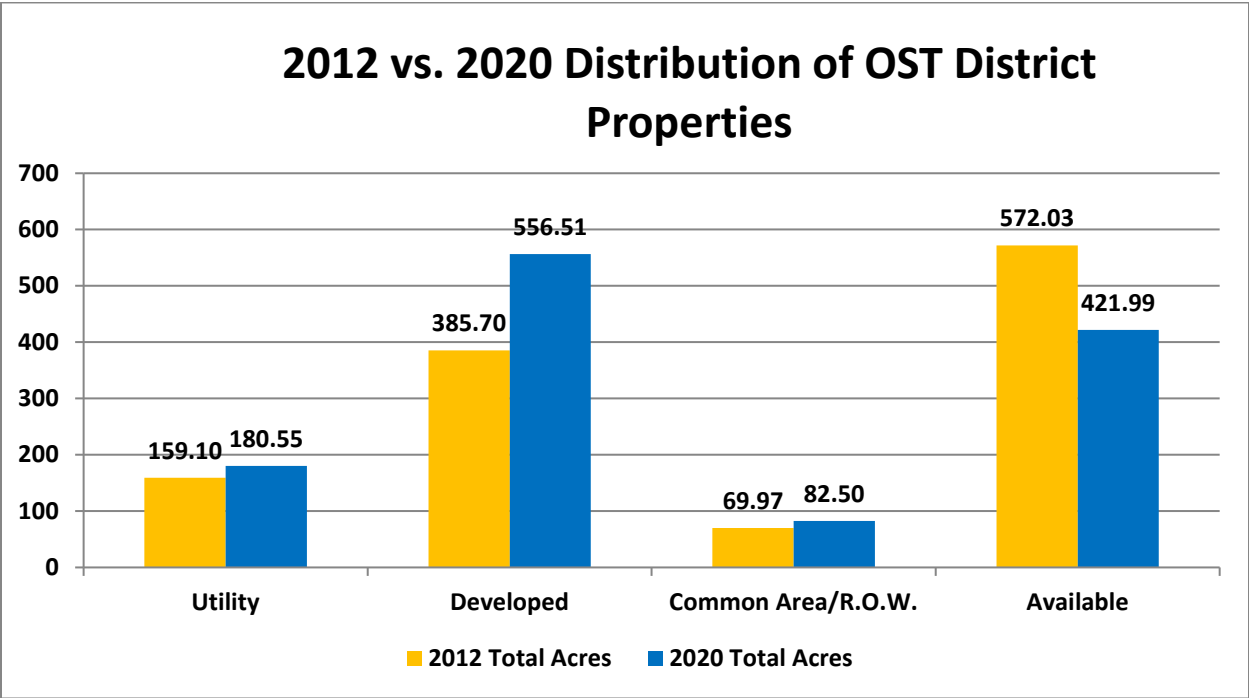


Figure 2: Comparison of OST District Properties (2012 vs. 2020)

**Land Use Classification**

The 81 developed lots in the OST District contain many types of businesses. Classifying the properties in the District using the American Planning Association’s (APA) Land Based Classification Standards (LBCS) for Function provides a tool to help analyze these properties. Land uses can be classified by the economic function or the type of establishment using the land. Land-use terms, such as agricultural, commercial, industrial, relate to function. The economic function served by the land use is independent of actual activity on the land. Establishments can have a variety of activities on their premises, yet serve a single function. For example, two parcels are said to be in the same functional category if they belong to the same establishment, even if one is an office building and other is a factory.

Between 2012 and 2020, the APA LBCS has been updated to reflect nine function categories as opposed to the thirteen provided in the 2012 study. Currently, the OST District only contains seven of the nine function categories. Also, two categories were added to the list to provide additional clarification (vacant and common area/R.O.W.). Therefore, the data from 2012 has been converted to the 2020 format so that it can be easily compared. This has led to a change of classification for some properties from the 2012 OST Study. Below is a breakdown of the categories within the district by land area.

## 2012 vs. 2020 OST District Land Area by Use Classification

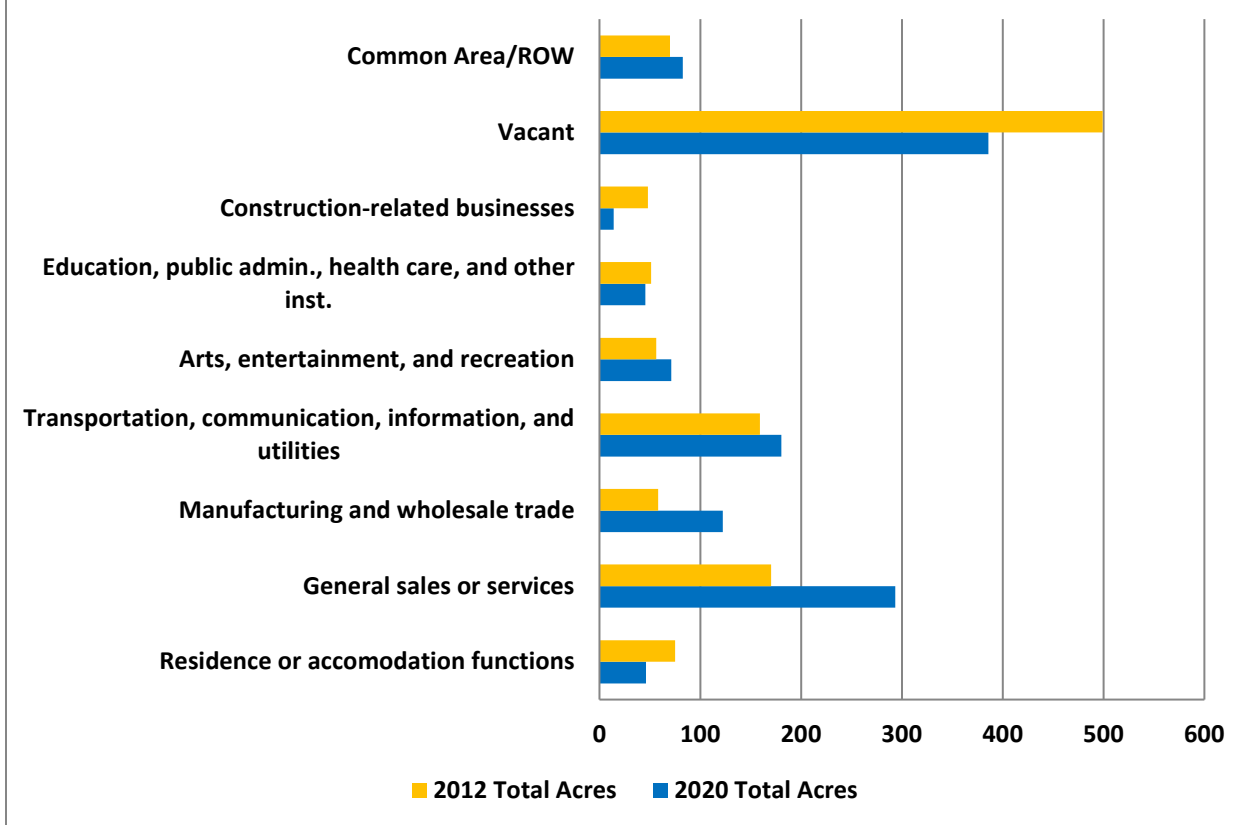


Figure 3: 2012 vs. 2020 OST District Land Area by Use Classification

Based on the data above, the following conclusions could be made:

- The amount of vacant land has decreased significantly over the last eight years due to a large amount of development projects.
- Many development projects over the last eight years have been in the “general sales or services” category. However, “manufacturing and wholesale trade” has also seen sizeable growth.
- Construction-related businesses take up less acreage in the district. This could be contributed to some larger construction-related parcels changing use.
- Residence or accommodation functions have decreased in acreage as some residential parcels have been redeveloped into commercial developments. It should be noted that hotels are included in this category.

### Floor Area

The OST District’s contains 4.13 million square feet of floor area. In the last 8 years, 857,262 square feet of floor space was added in the District. The five largest facilities in the OST District are the Suburban Collection Showplace at 402,086 square feet, ITC Headquarters at 271,856 square feet, Berkshire E-Supply at 151,512 square feet, Ryder

Headquarters at 148,728 square feet, and Henry Ford Medical Center at 125,145 square feet. Below is a breakdown of the categories within the district by floor area.

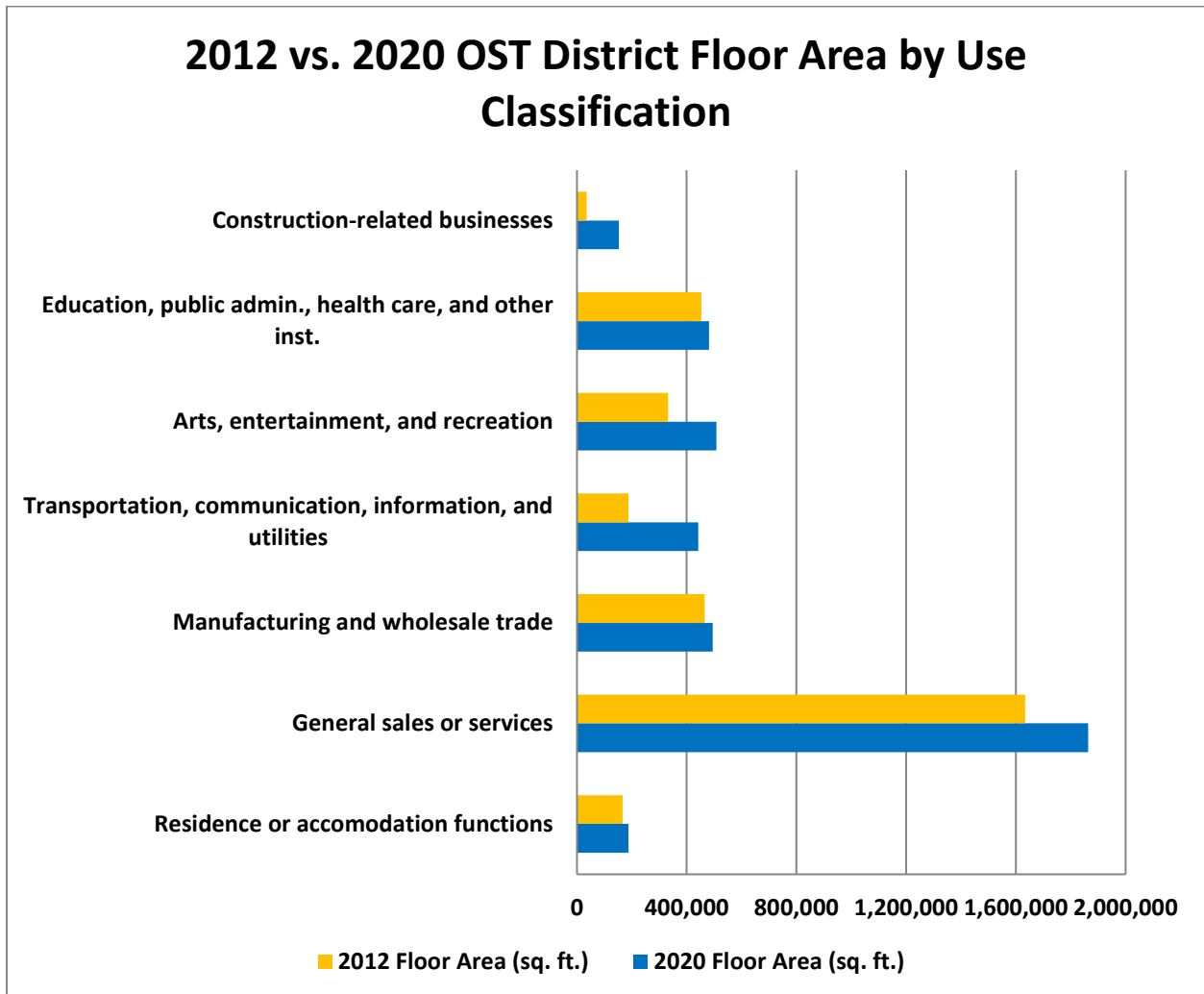


Figure 4: 2012 vs. 2020 OST District Floor Area by Use Classification

Based on the data above, the following conclusions could be made:

- While the land area dedicated to construction-related businesses has decreased, the floor area has increased. This could be contributed to some smaller parcels with larger square footage footprints changing use to construction-related businesses.
- Suburban Collection Showplace expanded in 2016, which is shown by the increase in arts, entertainment, and recreation floor area.
- Utility businesses have continued to invest into their land, and it has led to a good amount of growth in floor area.
- General sales and services have seen growth in floor area that is consistent with the growth in land area.
- Floor area has slightly increased for residential/accommodation functions while decreasing in land area due to the development of new hotels within the past eight years.

## Taxable Value

The Properties in the OST District have a combined 2019 Taxable Value of \$186.6 million, which is an increase of \$4.7 million from the 2011 Taxable Value. Below is a breakdown of the categories within the district by taxable value. It should be noted that new developments are listed in the vacant category due to the various stages of completion that the developments are in.

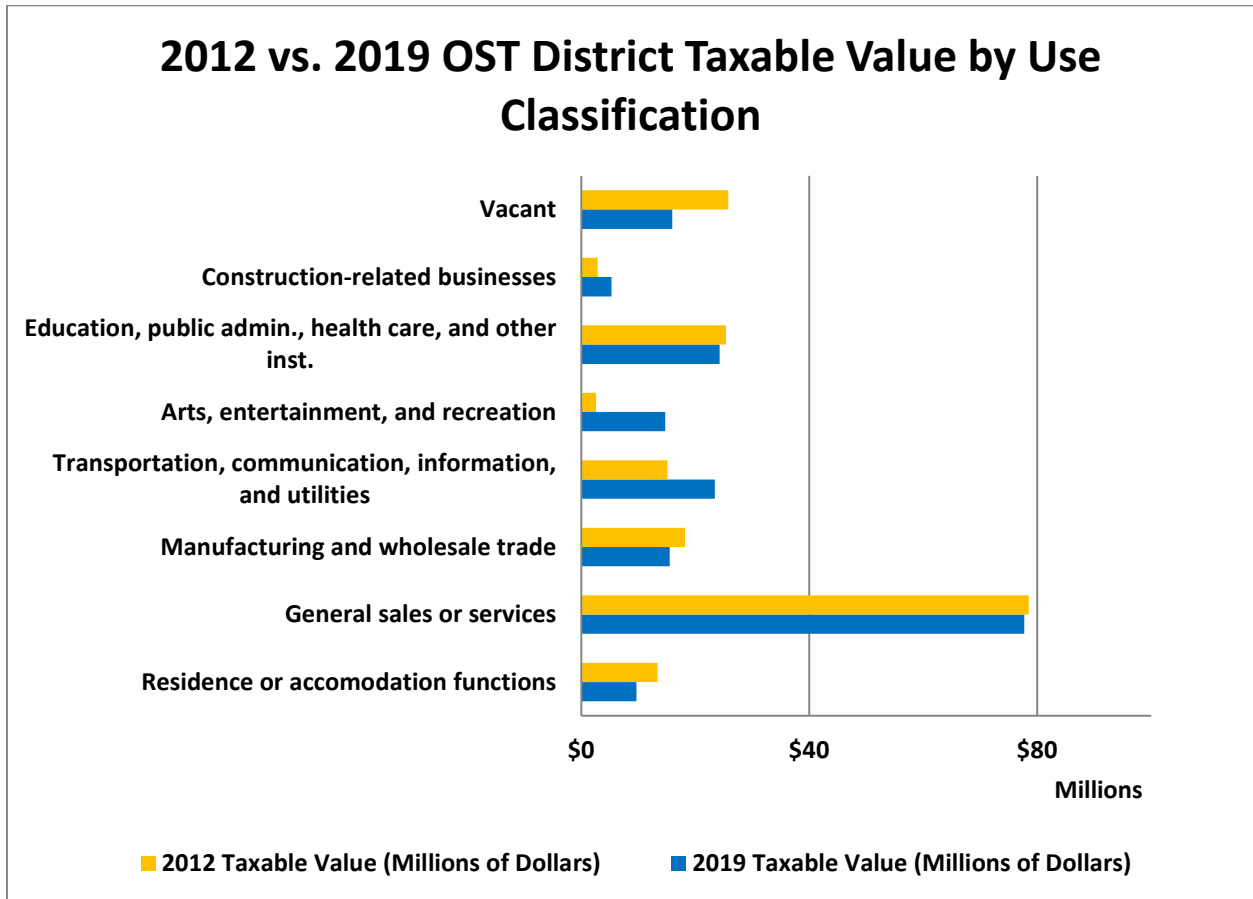


Figure 5: 2012 vs. 2019 OST District Taxable Value by Use Classification

Based on the data above, the following conclusions could be made:

- The taxable value of vacant land has decreased due to the decrease in vacant land.
- Arts, entertainment, and recreation businesses have increased significantly due to the expansion of the Suburban Collection Showplace, which added a Hyatt Hotel in 2016.
- Utility businesses have continued to invest into their land, and it has led to a good amount of growth in taxable value.
- General sales and services have seen significant investment in the past 8 years. However, it seems that the taxable value has leveled off. The reasoning behind this is unknown currently, but it could be due to initial tax abatement programs for new businesses.

## Taxable Value per Acre

Due to a slight uptick in development in the past eight years, taxable value has risen by \$4.7 million. Overall, Taxable Value per acre has gone down by \$3,000 per acre. This is likely due to the increased preservation of land in development projects. Below is a breakdown of the categories within the district by taxable value per acre.

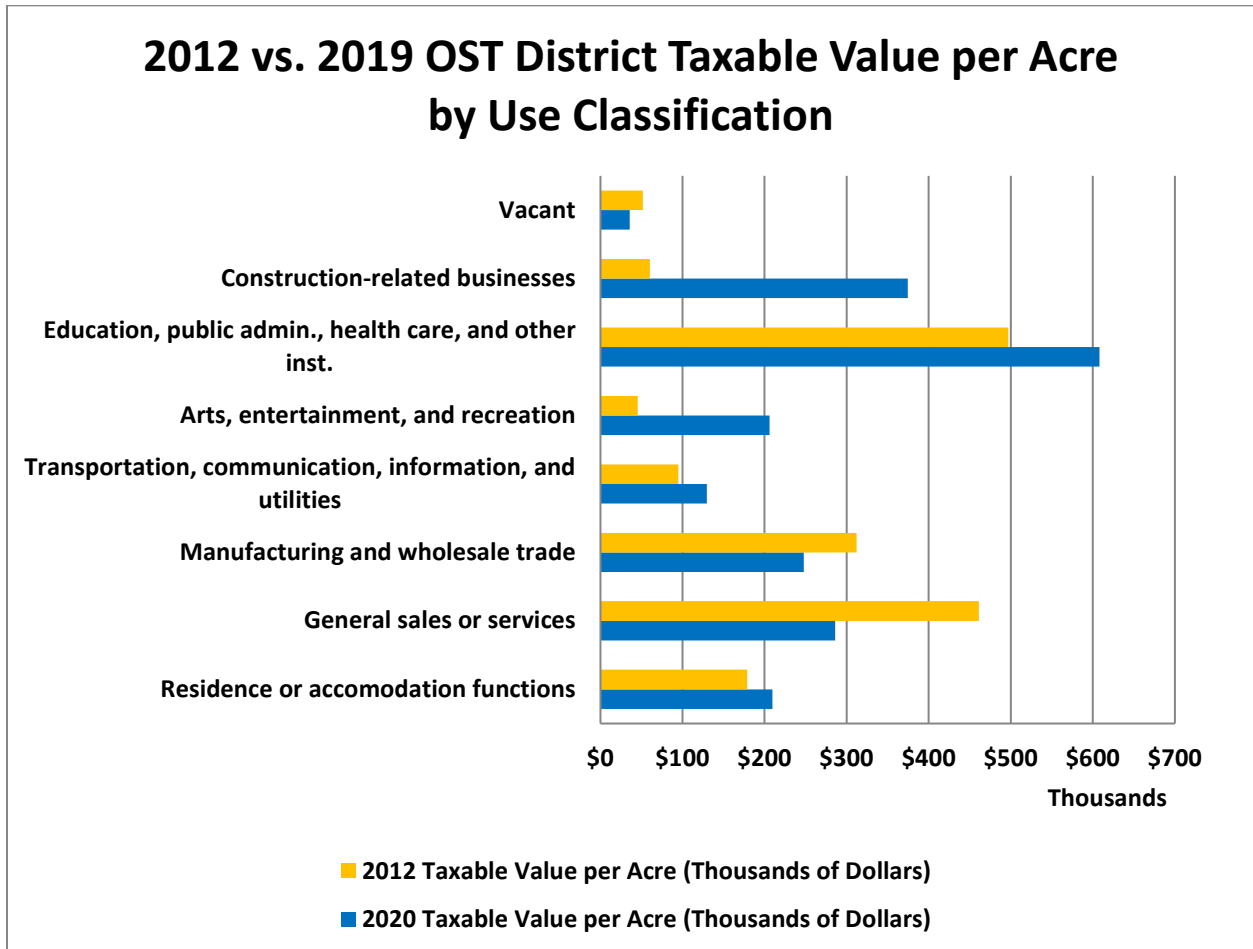


Figure 6: 2012 vs. 2019 OST District Taxable Value per Acre by Use Classification

Based on the data above, the following conclusions could be made:

- In 2012, the top taxable value per acre category was education and health care. This remained the same in 2019 by a significant margin.
- Construction-related businesses have seen a sizeable reduction in acreage combined with an increase in floor area and taxable value, which has likely led to the significant increase in taxable value per acre.
- Arts, entertainment, and recreation has seen a significant increase due to the Suburban Collection Showplace expansion in 2016.
- General sales and services have seen a sizable drop in taxable value per acre due to the recent development and preservation of rather large parcels of land.



## **Developments under Review**

Currently, 5 projects are proposed and are in the planning/construction process within the OST District. These projects include Innova Apartments (Novaplex), Berkshire E-Supply, Vibe Credit Union, TRU Hotel (Hilltop Senior & Assisted Living Center), and the Goodard School. This construction could potentially add millions of dollars to the district's taxable value.

## **Conclusion**

The OST District has been mostly developed with a wide range of office, research and development businesses. Since over 34% of the District is available for development or redevelopment, the OST District will continue to attract valuable development to the City of Novi. This new development will further the economic importance of the OST District and likely increase the taxable value of the City.

For additional information, please contact Planner Christian Carroll at [ccarroll@cityofnovi.org](mailto:ccarroll@cityofnovi.org) or 248.735.5607.

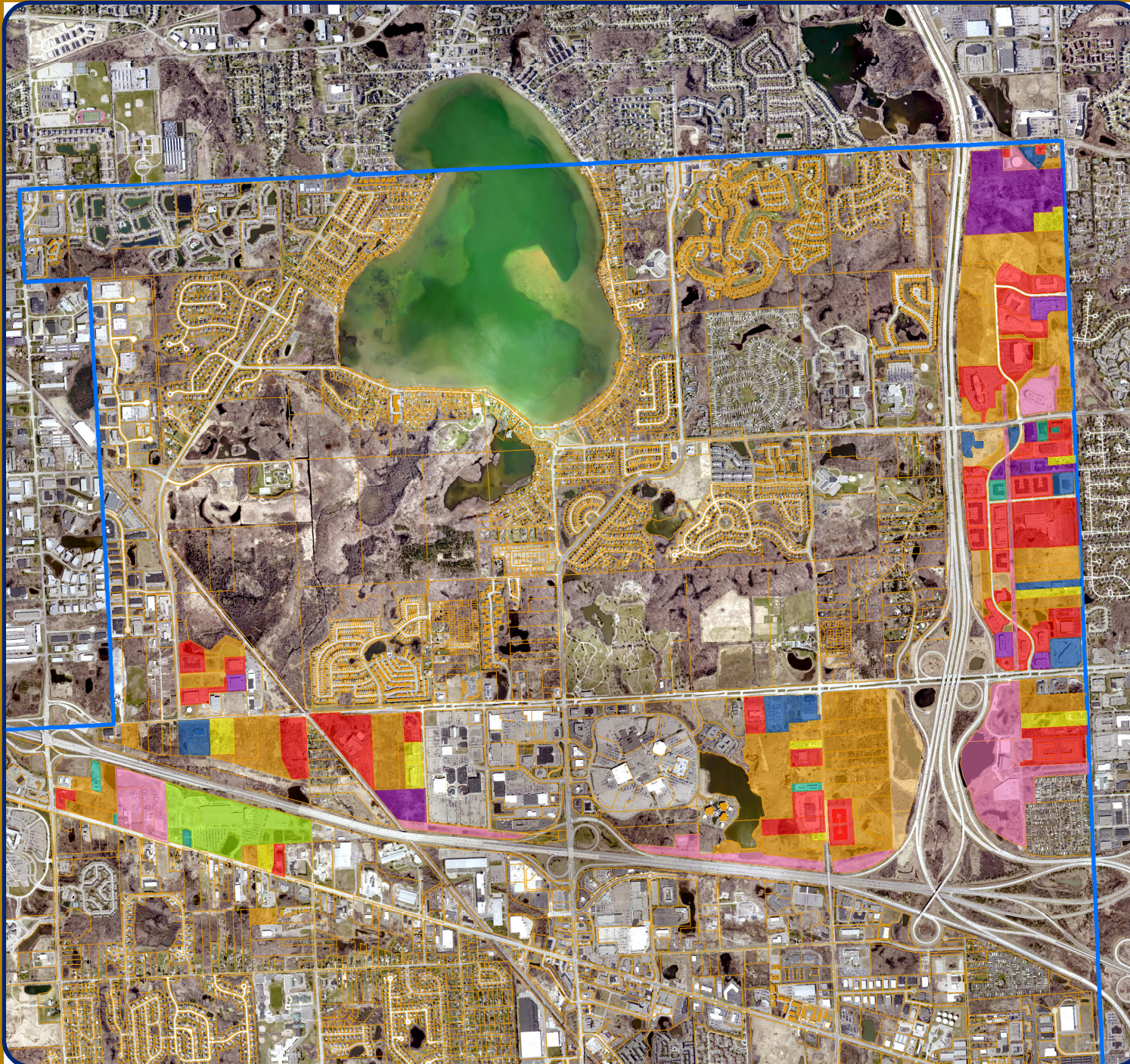
## Attachments:

1. Map Supplements
2. Land Based Classification Standards
3. OST District Photographs

## Map Supplements

# APA LBCS Use Classification of OST District Properties

October 2020



## LEGEND

 Tax Parcels

### APA LBCS Function Class

-  Vacant
-  Common Area/ROW
-  Residence or accommodation features
-  General sales or services
-  Manufacturing and wholesale trade
-  Transportation, communication, information, and utilities
-  Arts, entertainment, and recreation
-  Education, public admin., health care, and other inst.
-  Construction-related businesses



## City of Novi

Dept. of Community Development  
City Hall / Civic Center  
45175 W Ten Mile Rd  
Novi, MI 48375  
[cityofnovi.org](http://cityofnovi.org)

Map Author: Christian Carroll  
Date: 10/26/20  
Project: OST Study  
Version #: 1

0 650 1,300 2,600 3,900 Feet

1 inch = 3,007 feet

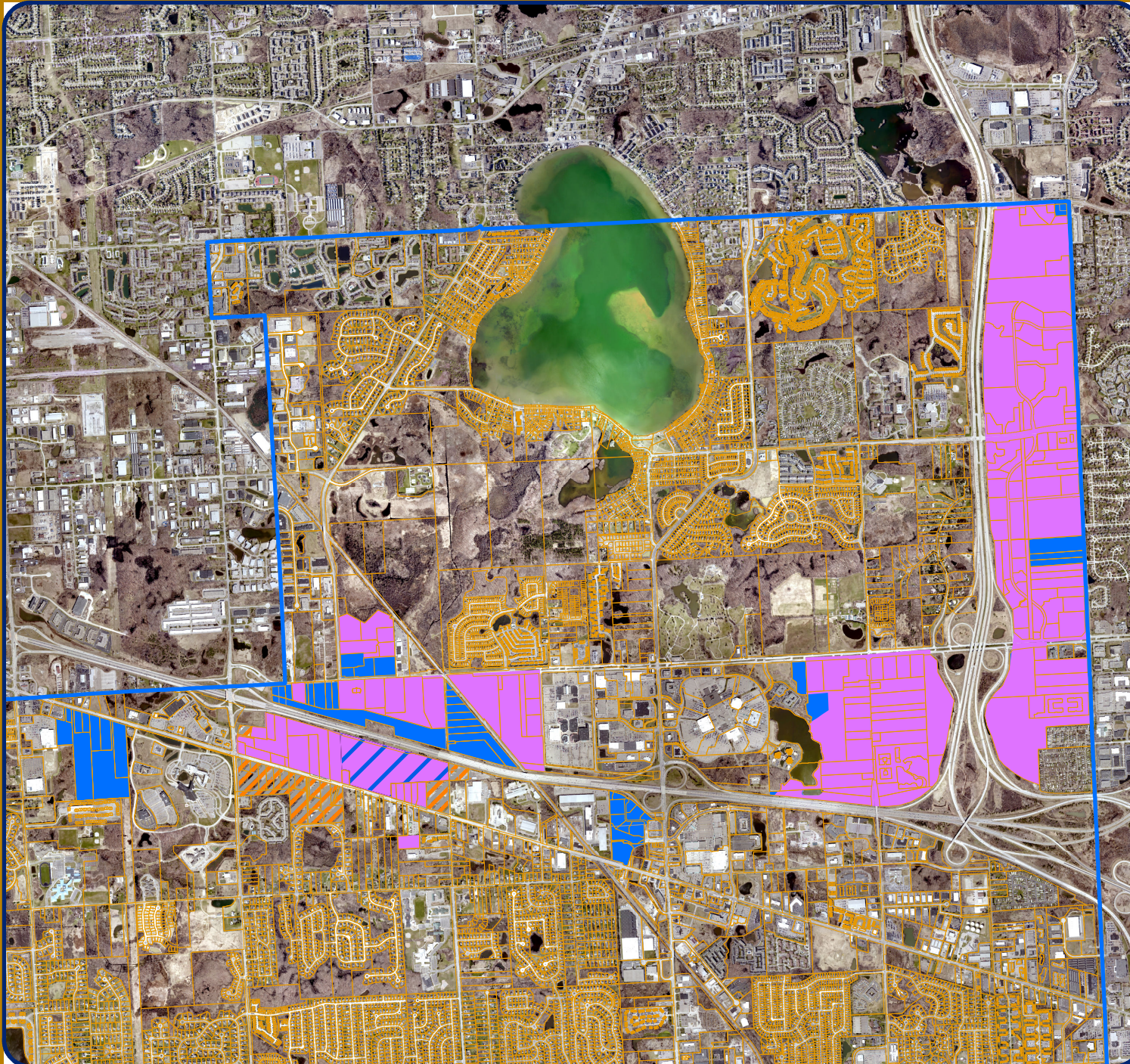


### MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.

# Existing & Potential OST Zoning Districts

October 2020



## LEGEND

 Tax Parcels

### Zoning District

 EXO: OST District with EXO Overlay

 OST: Office Service Technology

### 2016 Master Plan: Future Land Use

 Office Research Development Technology

 City West



## City of Novi

Dept. of Community Development  
City Hall / Civic Center  
45175 W Ten Mile Rd  
Novi, MI 48375  
[cityofnovi.org](http://cityofnovi.org)

Map Author: Christian Carroll

Date: 10/26/20

Project: OST Study

Version #: 1

0 7501,500 3,000 4,500 Feet

1 inch = 3,637 feet



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## 2020 APA Land Based Classification Standards

Code	Functions with Descriptions	Map Color (with notes)
1	Vacant	User-Added Class
2	Common Area / Right-Of-Way	User-Added Class
1000	Residence or Accommodation Functions	LBCS Classification
2000	General Sales or Services	LBCS Classification
3000	Manufacturing and Wholesale Trade	LBCS Classification
4000	Transportation, Communication, Information, and Utilities	LBCS Classification
5000	Arts, Entertainment, and Recreation	LBCS Classification
6000	Education, Public Administration, Health Care, and Other Institutions	LBCS Classification
7000	Construction-related Businesses	LBCS Classification
8000	Mining and Extraction Establishments	LBCS Classification (not within OST)
9000	Agriculture, Forestry, Fishing, and Hunting	LBCS Classification (not within OST)

[Link to Full Classifications & Descriptions](#)

OST District Photographs



Figure 1: Citygate Marketplace





Figure 2: Hino Motors USA Headquarters



Figure 3: A123 Systems Headquarters



Figure 4: Novi Lakes Health Campus



Figure 5: ATI Headquarters



Figure 6: Cabot Drive & Twelve Mile Road



Figure 7: Autoneum



Figure 8: Cabot Drive & Thirteen Mile Road



Figure 9: Harman Becker Automotive





Figure 10: Magna Seating



Figure 11: Daifuku



Figure 12: Adams North Technology Center (Novelis)



Figure 13: Adams North Technology Center